



Re-framing strategic thinking: the research – aims and outcomes

Re-framing
strategic
thinking

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Abstract

Purpose – The purpose of the paper is to justify the research programme and describe the conclusions.

Design/methodology/approach – This paper is a summary of the aims and results of the research published in two special issues of *Journal of Management Development*. It argues that there are three fundamental issues that must be examined in order to resolve the conundrums of business strategy: the semantics; the structures; and the epistemology and ontology of the subject. To achieve this aim, four papers (Part 1) cover the literature that allows for a research aim to be developed. In the subsequent papers (Part 2), strategic thinking is reframed. An inductive frame is created to develop a model to help small business principals understand the need to think strategically about their business. The proposition that better strategy can be generated if answers are found to quality questions, rather than quality solutions found for poorly posed questions, is examined. A deductive frame of fundamental questions is created based on this concept and finally a reflective frame, which is “critically anti-management”, provides the mechanism for the inductive and deductive frames to be applied to small business. The methodology is presented by French in “Action research for practising managers” in this issue and this paper is the summary of the research.

Findings – A research aim is developed: to examine critically the theory of business strategy and reframe strategic thinking in order to develop and test a viable small business strategic process. Thus, strategic thinking is (critically) reframed and emergence explored beyond the (modernist and postmodernist) “box” of traditional strategic management.

Practical implications – Small business principals have access to an integrated system of strategic frames that have been developed and tested using action research. Consequently the small business principal can be confident that the strategic process has both academic and practitioner credibility.

Originality/value – Parker suggests that little work has been done in the field of strategy in any non-modernist paradigm. The author believes that this may be one of the early comprehensive studies in this field to utilise both critical theory, in the form of critical management studies, and to apply this epistemology to firms that are considered to be complex self-adapting systems. The consequence is that there is now a theoretical answer to the problems of both Mintzberg, because there is now a mechanism for emergence, and of Hamel, because there is no longer a gap in the strategy discipline, we have a mechanism for strategy creation.

Keywords Strategic planning, Strategic management, Semantics, Action research

Paper type Research paper

Introduction

This paper is a précis of the research findings reported in French (2009f, g, h) and is based on the research aim that was developed during the literature review (reported in French (2009a, b, c, d) and further refined and melded into the thematic concerns and research questions using the action research (AR) methodology reported in French (2009e).

When I first read Hamel’s (1998) comment that “Anyone who claims to be a strategist should be intensely embarrassed by the fact that the strategy industry



doesn't have a theory of strategy creation! It doesn't know where bold, new value-creating strategies come from. There's a gaping hole in the middle of the strategy discipline" (Hamel, 1998, p. 10) it provoked a reaction that led me to rethink my whole view of the strategic process. I had also read Mintzberg's (1994) *Rise and Fall of Strategic Planning*, and many of the concepts expressed had also disturbed me. Mintzberg (1994) argues that strategy "emerges", and that the formalisation of strategic planning leads to the creation of a plan, not to the creation of a strategy.

Figure 1 shows Mintzberg's (1994) diagrammatic view of how strategy emerges in some unknown fashion outside the boundaries of the formal planning process. Mintzberg did not at this time provide a mechanism for strategic emergence.

In recent years there has been a growing body of opinion amongst scholars in the field of strategic business management that some of the central tenets of classical strategic theory are no longer appropriate (Thompson, 1967; Westley and Mintzberg, 1989; Bettis *et al.*, 1992; Whittington, 1993; Mintzberg, 1994; Hamel and Prahalad, 1995; Camillus, 1996; Fuller, 1996; Hamel, 1996; Kouzmin *et al.*, 1997; Mainwaring, 1997; Mintzberg *et al.*, 1998; Kouzmin and Jarman, 1999; Parker, 2002). Strategic theory has become so fragmented and complex, with views as to what represents strategy often being diametrically opposed, that strategy or strategic thinking has been replaced by an operational focus. In Part I of this series, I draw the conclusion that the problem for strategists in the twenty-first century is that their thinking is shackled to the equilibrium assumption of closed systems and that a radical change to open systems thinking, especially complex self-adapting systems, is required. I instigated an AR programme (French, 2009e) which starts with a notion in the practitioner's mind that there is a need for change.

The notion in the practitioner's mind

The ideas that led to my notion are that principals of small businesses often have superior operational skills, are not generally business educated, and have little

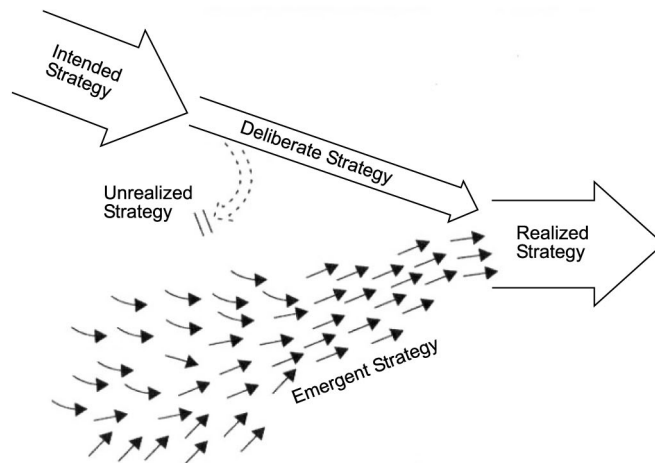


Figure 1.
Strategic emergence

Source: Mintzberg *et al.* (1998, p. 12)

knowledge or understanding of strategic management theory. I have previously published these ideas (French, 1997, 1999; French *et al.*, 2001, 2004). In order to articulate the notion better, three premises were developed that underpin the problems faced by small business. As this AR project develops, these premises will become the “thematic concerns”[1] for this research and subsequently the “action” element of the AR. The research questions are articulated to accompany the thematic concerns, and these will become the “research” element of the AR.

The research aim

This “critical” research is conducted in the area of small business to develop a strategic frame specifically for small business principals. Why this is important is comprehensively argued in Part 1. Consequently, the research aim can be articulated as follows:

To examine critically the theory of business strategy and reframe strategic thinking in order to develop and test a viable small business strategic process.

The research questions

The research questions that accompany the research aim are detailed in this section for reasons of clarity. Each research question was developed during the relevant AR cycle. The AR processes are reported in French (2009f, g, h).

- RQ1.* What is the composition of a model of business that assists small business principals to understand the need to think strategically?
- RQ2.* What questions and activities facilitate strategic thinking by small business principals?
- RQ3.* What tangible benefits are derived by a small business over a period of three years if a selected model of strategy is used in conjunction with selected questions and activities?

We do not currently have a complexity theory of the firm, or a complete theory of the firm grounded in a critical epistemological paradigm, and yet we must start to explore complexity ideas if we are to drive the subject of strategic thinking forward in accord with Andrews’s (1983) suggestions. Strategic emergence, first propounded by Mintzberg (1994), is now a mainstream idea (Coleman, 1999; Goldstein, 1999; McKelvey, 1999; Maguire and McKelvey, 1999; Stacey, 2000a). However, classical theory has no mechanism for strategy creation (Hamel, 1998). Emergence is a phenomenon of complex systems – there is no philosophical mechanism in cybernetic theory for concepts of synergy. Therefore, I have appended a theoretical methodology of emergent strategy to a classical structure and tested its efficacy by utilising AR methodology.

Critical theory must also be made practical, in the sense of changing practices by which societies realise their ideals. Critical theory developed a non-sceptical version of this conception, linking philosophy closely to the human and social sciences. In so doing, it can link empirical and interpretive social science to normative claims of truth, morality, and justice, traditionally the view of philosophy. Critical theory came gradually to reject the demand for a scientific or objective basis of criticism

grounded in a grand theory (Bohman 1999a, b). Bohman (1999a, b) proposes that critical theory need not develop a “grand” theory of the firm before all its ideals can be accepted into a philosophical framework. As a consequence, this research has been undertaken from a CMS perspective, which can only be added to other perspectives because we do not have a “critical” theory of the firm. Very little work on strategic management has been published outside the traditional modernist paradigm (Parker, 2002, p. 123).

Conclusions regarding the thematic concerns and the research questions

To examine critically the research aim, a thematic concern and research question were developed for each of the three new strategic thinking frames.

Three AR cycles (see Figure 2) were required to address the first thematic concern and the first research question. The results are reported in French (2009f).

The first thematic concern

Small businesses are not started and managed by “entrepreneurs” with access to market-place capital, but by people with superior operational skills. These people develop their operational skills to a point where they leave employment and “go it alone”. They do not necessarily possess the other business skills required for them to survive and prosper. They must develop and grow their business and provide management skills to their organisation; however, they know little or nothing of strategic theory or how or by whom strategy is crafted.

Four AR cycles were required to address the second thematic concern and second research question. The results are reported in French (2009g).

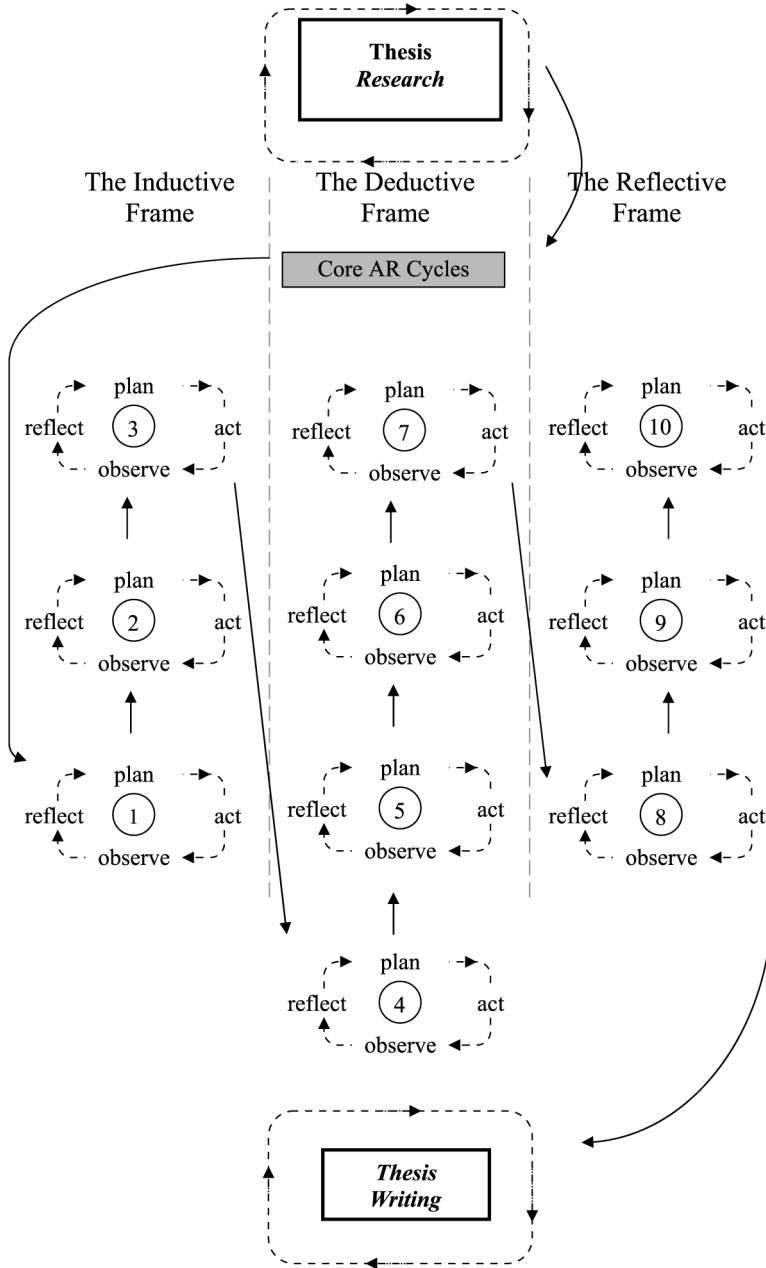
The second thematic concern

When problems or opportunities are encountered in a small business, the principals look for solutions before they develop a deep understanding of the questions that need to be asked. As a consequence, they concentrate their efforts on solutions to the wrong question, or questions that are ill-defined and do not solve the identified problems. Simpson (1997) believes that the key to crafting great strategies is to ask great questions. Questions are more important than answers; average answers to good questions deliver better strategy than great answers to poor questions.

Three AR cycles were required to address the third thematic concern and third research question. The results are reported in French (2009h).

The third thematic concern

Small business principals do not understand the importance or the processes of strategy. They concentrate on operational aspects of their business and consequently fail to optimise the opportunities presented by implementing strategic management theory. Small business principals are authoritarian and dictatorial; they do not understand the value of inclusion. If a theoretical model of strategic thinking was developed and implemented in a small business, it would contribute to business performance.



Source: Developed for this paper

Figure 2.
Diagrammatic structure of
the whole project

Conclusions regarding the research aim

To address the stated research aim, *RQ1-RQ3* were developed through the application of an AR methodology that involved several different sets of AR “participants”. Ten AR cycles were required to develop and address the three questions and the three thematic concerns in accordance with AR methodology (Grundy and Kemmis, 1981; Kemmis and McTaggart, 1988a, b; Perry and Zuber-Skerritt, 1991).

In summary, the theory of business strategy was examined through the mechanism of a comprehensive review of the strategic management literature. Knowledge gained from the literature was developed using an AR process and, in this series, evidence has been provided for an alternative model of strategic thinking. The CBB model was developed as the inductive frame, to facilitate a shift in thinking from the operational to the strategic. The CBB strategic thinking system was developed as the deductive frame, to facilitate the emergence of strategic properties, and a reflective frame was developed where the results of applying the first two frames to a particular company could be monitored. These results are reported in French (2009f, g, h). As a result, I can claim that I have examined critically the theory of business strategy and reframed strategic thinking in order to develop and test a viable small business strategic process.

The study has been comprehensive, but before considering the implication of the findings of the study for theory and practice, the question of how the literature suggests the results of the study might be generalised is proffered.

Generalisability

The issue of generalisability has been covered previously (French, 2009e). In response to Denscombe’s (1998) and Coughlan and Coughlan’s (2002) concerns, the scope of this AR project is considerably larger than they envisaged. This was not a small-scale AR project focused on “one site”, with the outcomes applicable only to one particular situation or institution. Instead the spectrum of company locations and industries was extremely broad. When articulating their concerns, it is questionable whether Denscombe (1998) and Coughlan and Coughlan (2002) considered an AR project as broad and deep as the one reported in these two Special Issues. Hence, applying the concept of the inability to generalise beyond this specific case is deemed unnecessarily restrictive.

Implication for theory

A fundamental objective of AR is that the results achieved through the research process are utilised by the researcher to develop new theories or expand existing scientific theories (Kemmis and McTaggart, 1988a; Holter and Schwartz-Barcott, 1993; Hatten *et al.*, 1997). The evidence that is gathered during the process and the critical reflection, which constitutes data analysis, creates a developed, tested, and critically examined rationale for the practitioner’s practical change of practice. Change in practice has been observed in the firms that participated in the CBB process. However, the question of how these observed results contribute to the theory of strategic management must be explored.

A single simple model for small business

Modernist theories of strategic management have been reviewed. The ideas of the strategy scholars have been addressed and categorised into seven schools of thought. Differences of opinion as to what constitutes business strategy vary in the literature. However, most of this variation is concerned with the collection and analysis of information prior to the generation of strategy. Either overtly or covertly each of the schools follows a structure philosophically similar to the Ginter *et al.* (1985) model, which described the strategic process as containing eight elements:

- (1) vision and mission;
- (2) objective setting;
- (3) external environmental scanning;
- (4) internal environmental scanning;
- (5) strategic alternatives (crafting strategy);
- (6) strategy selection;
- (7) implementation; and
- (8) control.

These elements are found consistently in the literature (Thompson and Strickland, 1998; Thompson *et al.*, 2008; Hill and Jones, 1998; Hill *et al.*, 2007; Stahl and Grigsby, 1992; Viljoen, 1994; Hubbard *et al.*, 1996). The concept of the creation of strategies is largely ignored, however. Hamel (1998) is one of the few strategy scholars prepared to be bold and recognise this.

Irrespective of whether there is or is not a theory of strategy creation, the core philosophies of the different schools of strategy accept this design school framework, which was created to support the improvement of corporate management. The argument between the schools is essentially about the content and conduct of each of the Ginter elements – the epistemological constructs are simply ignored. Boyd and Reuning-Elliott (1998) concur with this view, arguing that the problems in strategy are that, although the term strategic planning is the cornerstone for the entire discipline, there is little consistency in how it is actually achieved. One cause of this problem is the discipline's general preference towards examining interrelationships among variables rather than the definition of the variables themselves. In order to facilitate an understanding of the content of strategy, I argue that it is necessary to classify the thinking of strategy scholars and practitioners into different schools of thought. Hence, a seven-school model was developed, and the justification for this approach is discussed in French (2009c) and French (2009d). Further discussion of how the ideas of the strategy scholars, delineated in the seven schools model, contribute to the development of theory propounded in this paper, is summarised in the next section.

The design school

A précis of the ideas of the design school is as follows:

- (1) The fundamental paradigm is linear.
- (2) The structure for the strategic process is similar to the Ginter *et al.* (1985) model.

- (3) The responsibility for strategy creation resides in the executive, especially the chief executive. Three core questions are asked:
 - What is the scope or nature of the business?
 - What are the strengths, weaknesses, oppositions, threats (SWOTs)?
 - What is the vision for the firm?
- (4) Strategy is created through the mechanism of “think-tanks”.
- (5) There is a fundamental philosophy of “one best way” to achieve all aspects of management.
- (6) Predictability is rational.

Implication of the ideas of the design school for the CBB system

Of the six enumerated ideas of the design school, the Ginter *et al.* (1985) structure and three questions from design school theory have been incorporated into the CBB theory. Of the 11 questions that form the CBB question set, questions 1, 4, and 8 are from design school thinking, but they have been asked in the context of critical rather than modernist thinking:

- Q1. What business am I in; what is the nature of my business?
- Q4. What are the strengths and weaknesses of and opportunities and threats to my business?
- Q8. What do I want from my business? What is my vision?

Questions 9, 10, and 11 are classical school ideas taken directly from the Ginter *et al.* (1985) structure and are associated with implementation, not with strategy creation. The theoretical implementation process is modernist in concept, although with none of the complications of the modernist balanced scorecard concepts.

- Q9. What is my primary company objective?
- Q10. What are my subsidiary company objectives?
- Q11. What actions do I need to take to achieve my objectives?

In the CBB strategic thinking system, strategy emerges. Design school theory suggests that the chief executive designs the strategy in the form of a plan and then controls the activities of the business in accord with the plan. This process will stifle strategic emergence. If the design school chief executive stifles strategic emergence then the planners of the planning school will kill the business!

The planning school

A précis of the ideas of the planning school is shown below:

- (1) The fundamental ideas of the design school are retained.
- (2) The responsibility of creating strategy is devolved to a hierarchy of planners.
- (3) The strategic planning process is explicit.
- (4) The planning process is rigid and formal.

Implication of the ideas of the planning school for the CBB system

The modernist philosophy of the planning school is to develop highly complicated, formal plans for others to implement. Creativity and innovation are stifled in this environment and consequently none of the ideas of the planning school was utilised in the CBB theory. Accountants (Kaplan and Norton, 1992, 1993, 1996a, b, c, d) with a very strong modernist epistemological bias have rekindled many of the ideas of the planning school and are considered to be CMS “bogeymen” (Parker, 2002, p. 120). Critical scholars would consider the BSC of little value to the strategic discussion and a retrograde step in developing strategic ideas.

The adherents to the ideas of the third of the classical schools, the positioning school, also accept most of the premises of both the design and planning schools but add two caveats of their own. First, emphasis is given to the importance of the strategic ideas, not just the process by which they are formulated. And, second, by focusing on the content of strategies, the prescriptive side of the field is opened up to substantial investigation, but within the constraints of positioning school dogma.

The positioning school

A précis of the ideas of the positioning school is shown below:

- The fundamental ideas of the design and planning schools are retained.
- The responsibility of creating strategy is devolved to a hierarchy of analysts.
- Each company should seek the optimum position in the economic market place.
- Strategies are generic.

Implication of the ideas of the positioning school for the CBB system

Concepts of positioning are not relevant in the small business sector. Consequently, the idea that strategies are generic is also irrelevant. Porter (1980, 1985), an industrial organisation economist, transferred macro economic concepts to the theory of the firm and as a result the responsibility of strategy creation was abrogated from the chief executive to the market! Positioning school analytical tools were developed in droves and an industry of strategy “boutiques” developed to provide market analysis for corporate decision making. As with the planning school, the formal structure of the positioning school strategic process prevents emergence and none of the ideas of the positioning school was utilised in the CBB theory. His ideas are still taught extensively in undergraduate programmes and business schools and hence he is another CMS “bogeyman” (Parker, 2002, p. 120).

Two further schools of thought – the neo-classical schools – retain the fundamental philosophical linear paradigm of the classical schools. However, ideas are developed in a dynamic response to the perceived criticisms and practical application failures of the ideas of the classical schools.

The resource-based school

Firms can be thought of as collections or accretions of resources, heterogeneously distributed that persist over time (Wernerfelt, 1984, 1995; Barney, 1986, 1991; Prahalad and Hamel, 1990; Nelson, 1991; Rumelt, 1991; Peteraf, 1993; Conner and Prahalad, 1996). Maklan *et al.* (2002, p. 9) suggest that the resource-based view requires marketing to focus more upon customer needs rather than products. “Resource-based

theory can help marketing focus on profitable exploitation of customer need rather than customer needs alone". It is this concept of the importance of customers and the subsequent concentration on the resources that might be available to the firm to satisfy the needs of the customers that influenced me to consider some of the ideas of this school for inclusion in the CBB question set. In the CBB system, ideas from the resource-based school help small business principals reorient their thinking to the supply side. Questions 5 and 6 are from the ideas of the resource-based school and question 7 is originally from information systems theory[2].

- Q5. What are my core capabilities or competencies?
- Q6. What is my sustainable competitive advantage?
- Q7. What are my critical success factors?

Although these questions would appear to be related to a demand-side orientation, they are directed at the resources of the firm (supply side) that will be required to satisfy customer (demand side) needs. In addition to the specific questions 5 and 6, which are resource-based school questions, it is these changes in orientation which I suggest add a further sophisticated level of thinking – in the CBB system – to the basic design school model. A précis of the ideas of the resource-based school is shown below:

- The company is a unique bundle of resources.
- There is more than "one best way".

Implication of the ideas of the resource-based school for the CBB system

Resource-based school ideas are added to the design school ideas to add a level of sophistication. The concept that there is "one best way" to achieve a strategic result is refuted, especially the ideas of the positioning school. Both the resource-based school ideas expressed above are incorporated into the CBB theory.

There is an apparent divorce in the literature of the philosophies of the resource-based school from those of the classical schools – particularly, a 180° turn away from the concept of the positioning school that emphasises the macro concept of markets and ignores the micro concept of customers. However, the fundamental linear paradigm is still the same as with the classical schools. This is also true of the second neo-classical school, the ideas of which are expressed in the contingency view.

The contingency school

A précis of the ideas of the contingency school is: There is more than "one best way".

Implication of the ideas of the contingency school for the CBB system

The fundamental concept of the contingency school is the refutation of the classical idea that there is "one best way". Strategy is contingent upon a number of factors and there is a requirement to identify those factors. This idea is congruent with CBB ideas but participants in the CBB system were not asked specifically to identify contingency factors because an understanding of contingency theory would be necessary before this becomes possible – one of the precepts of CBB philosophy is that an understanding of strategic theory is unnecessary. However, questions 5, 6, and 7, which come specifically from the resource-based school and information systems ideas, are also essentially contingency school ideas.

The ideas generated by the scholars of the final two schools need to be understood within the context of a different philosophical paradigm from that of the classical and neo-classical schools. This is why they are classified as post-classical school ideas. Those that generate from the learning school are of growing, learning, and adding synergistic benefits. Mintzberg *et al.* (1998) include the concepts of emergence within this school. However, these ideas are still couched in the linear paradigm of the classical schools, without regard for the problem that there is no room for these ideas within a paradigm whose characteristics are cybernetic. For the ideas of the emergence school to be understood, it is necessary that the new paradigm be accepted.

The learning school

A précis of the ideas of the learning school is shown below:

- Strategy is developed by a process of organisational learning.
- The cybernetic paradigm is stretched to accommodate non-linear ideas of learning, innovation, and emergence.

Implication of the ideas of the learning school for the CBB system

The ideas of the learning school are relevant to CBB theory when the paradigm is changed from a modernist/postmodernist classical linear paradigm to one that is complex and self-adapting.

Systems dynamics is an attempt to allow non-linear phenomena in a cybernetic context and postmodern “soft” ideas are shoe-horned into a modernist paradigm. Strategic learning and other associated ideas do not fit into a concept of the firm as being cybernetic. The validity of stretching the rules of linear systems to accommodate non-linear phenomena is questionable. Eijnatten and Putnik (2004) recognised this and developed the ideas of organisational learning and transferred them from a traditional linear paradigm to a complex, dynamic, non-linear environment. They call the resultant firms “chaordic enterprises”. They describe chaordic enterprises as the end state to which a learning organisation might evolve if it were viewed as being capable of self-organisation and transformative change under hyper-turbulent conditions. That is, under the behavioural rules of complex self-adaptive systems, changing the epistemological paradigm from modern or postmodern to critical. However, this is not the accepted position of the mainstream of this school.

The emergence school

Emergence is a characteristic of complex systems, not of cybernetic systems. If strategy emerges from a complex system called a firm or business then, utilising von Bertalanffy's (1969) Isomorphic Laws of Systems[3], the emergent properties observed in firms are likely to be similar to emergent properties observed in other complex systems. It is also likely that as we begin to understand other laws of complex systems, these will also apply to firms. Beyond the systems concept of transferable laws, a change in epistemological approach will also allow for new ideas of strategy creation and innovation to become relevant. In a complex business system, the agents are the employees of the company and there are many further lower levels of agents, which, according to Holland (2000), include the ideas of those agents. However, for emergent strategy to occur it must happen without “direction by the central executive” (Holland,

2000, p. 5) and this concept does not accord with current modernist management theory.

Pascale (1999, p. 85) suggests that four particular constructs from complexity theory are relevant to management theory:

- (1) Complex adaptive systems are at risk when in equilibrium. Equilibrium is a precursor to death.
- (2) Complex adaptive systems exhibit the capacity of self-organisation and emergent complexity.
- (3) Complex adaptive systems tend to move toward the edge of chaos.
- (4) Complex adaptive systems cannot be directed or managed, only disturbed.

The phenomenon of emergence arises from the way simple patterns combine (Pascale, 1999, p. 85).

If these four principles are valid then strategists and other management scholars will need to rethink some of the fundamental building blocks of management theory. The practice of PLOC is intended to control the business to the equilibrium of the plan. This will prevent innovation, learning, and emergence from occurring and the stifled “complex” company in equilibrium will atrophy and die.

Implication of the ideas of the emergence school for the CBB system

Strategy will be created if an environment is propagated where thinking is deep and rich enough to allow emergent properties to occur. It is this concept of deep and rich thinking that underlies the CBB theory of strategy creation. Strategic emergence will be stifled if management interferes with the strategic process. The concept of emergence has been developed in the hard sciences and applied to businesses, using von Bertalanffy's (1969) isomorphic law as justification. This is necessary because classic strategic management has no theory of strategy creation.

No theory of strategy creation

The concept of strategic planning discussed in this series has developed from the original ideas of the military planners and appended to a model of business planning that was traditionally applied to a single (usually annual) business cycle. Planning worked for the single business cycle because the future was similar to the past, essentially the future was predictable. The time frame for strategic planning was stretched and the concept of long-range planning was accepted in the business community. The concept remained valid and delivered results as long as the planning concept remained valid; that is, the future remained at least incrementally similar to the past. When the business environment started to become more turbulent new ideas for the strategy process were required and the different schools of thought developed and their proponents argued for the efficacy of their ideas. However, all these schools of thought were essentially ideas appended to the fundamental modernist design school framework – the Ginter *et al.* (1985) model.

Many management scholars now accept that complexity theory may provide the basis for a better understanding of management (Hames, 1994; Brown and Eisenhardt, 1998; Wheatley, 1999; Stacey, 2000a, b). This view is not currently mainstream, and we do not have a complexity theory of the firm. Consequently, to advance the ideas of

business strategy, I have taken a similar approach to scholars from the other strategy schools and amended the fundamental design school structure. This has been achieved by appending a methodology of strategy creation developed from ideas in the hard sciences. I argue that this is not conceptually different from the practices of previous strategy scholars, who have also appended their ideas to a basic design school framework.

Evidence has been provided that some management and organisation scholars accept that complexity theory and critical theory may provide a better explanation for the behaviour of firms than a modernistic cybernetic system theory. However, we are at a very early stage of understanding how complex adaptive systems behave and we do not yet have a complexity theory of the firm nor a “grand critical theory” (Bohman 1999a, b). We must be careful in applying concepts from a discipline that is not fully developed and yet we must be prepared to take the intellectual risks that will allow for an exploration of the subject. Strategic emergence has been discussed at length in the literature. Mintzberg (1994) developed the original concept of strategic emergence but he provided no mechanism for it to occur. Emergence was a significant concept to champion during the ascendancy of the ideas of the planning and positioning schools’ scholars and practitioners, especially when no mechanism for emergence was provided. Mintzberg *et al.* (1998) later claimed that emergence was a phenomenon of learning environments, but they were unable or unprepared to take the intellectual risk of changing the epistemological paradigm. This is an issue that appears to have been completely ignored by the mainstream of strategic thinking.

We can no longer accept that the process of strategy creation is done by “smoke and mirrors”. The modernist ideas of the classical and neo-classical schools are based on a philosophy that espouses firms as closed systems that respond to concepts of plan and control. Some of these ideas are: predictability, causality, and reductionism. If these are really the rules under which firms operate then ideas of synergy, learning, and emergence are not compatible. The proponents of classical theory cannot have it both ways.

Hamel (1998) is bold enough to claim in the mainstream that strategy theorists have no mechanism for strategy generation, but it would appear that no one in the mainstream is suggesting that there can be no mechanism for emergent strategy creation, which must be a synergistic process, in a closed system. We must discover a mechanism of strategy creation that is compatible with an open-systems approach to strategic management.

Evidence of emergent phenomena

By applying the critical questions of the CBB thinking system to his/her own firm, each seminar participant was enabled to allow strategy to emerge from the process. When applied back to the Ginter *et al.* (1985) structure, a strategic process was generated that could be successfully implemented by each small business principal, without the need for BSC complications. The successful completion by every firm principal of the strategic process and the implementation of that process in their firms provides evidence that strategy emerged according to the theory espoused.

Unlike many modernist consulting products the CBB system is not prescriptive. There is no scorecard to balance. There is no need for the facilitator to have a deep understanding of the industry within which the small firm operates. This is because

the CBB system relies on the small business principal to build understanding through providing critical answers to an integrated system of questions. As a result, deep and rich ideas can provide an environment for emergent processes to occur. They are able to do this because the CBB system provides a structure to which the small business principal applies his/her superior operational skills.

A theory of questions

The fundamental reason for the success of the CBB strategic thinking system and its universal applicability can be found in Simpson's (1997) belief that the key to crafting great strategies is to "ask great questions" in a critical epistemological paradigm. Questions are more important than answers; average answers to good questions deliver better strategy than great answers to poor questions. The questions in the CBB strategic thinking system supply the answer to the issue of universality – a critical theory concept (Parker, 2002). The same questions are applied to every firm principal who undertakes the programme, irrespective of the industry in which his/her firm operates. The system of questions allows the small business principal to apply his/her superior operational skills to the problem of strategy. The small business principals already know the answer because of these superior operational skills. However, they are unable to apply their knowledge because they are not confident that they know the right questions to ask of themselves. It is probably of little importance who undertakes the questioning, as long as that person has credibility. In French (2009f, g, h) evidence is provided that in these circumstances the CBB strategic thinking system will facilitate strategy generation by means of a single model, universally applicable and accessible by all small business principals without the need for an in-depth understanding of strategic management theory.

The theoretical model

The modernist classical school structure represented by the Ginter *et al.* (1985) model is used purely as the frame for the strategic process. The design school model is the least prescriptive and modernist of the classical schools. Because we have no complex or critical theory of the firm, we must integrate ideas from different paradigms. In a complex system paradigm, Maguire and McKelvey (1999) invoke us to do this and in a critical paradigm Bohman (1999a, b) exhorts us not to await the development of a "grand" theory. The Ginter *et al.* (1985) model contains eight elements. The first four elements are included in the CBB system; elements five, six, and eight are discarded, and element seven is retained:

- (1) vision and mission;
- (2) objective setting;
- (3) external environmental scanning;
- (4) internal environmental scanning;
- (5) strategic alternatives (crafting strategy);
- (6) strategy selection;
- (7) implementation; and
- (8) control.

The first four modernist elements of the design school approach are addressed through the critical methodology of the CBB question set. In the design school model there are essentially three questions that relate to the first four elements, i.e. the nature of the business, SWOT, and a question related to vision. These are the questions that the design school proponents suggest will provide the information for strategies to be created, analysed, and for the best to be selected. No mechanism for crafting or selecting strategies is provided. In the CBB system, instead of the linear think-tank approach to the three Ginter *et al.* (1985) questions, the eleven questions in the CBB question set are generated in a critical epistemological fashion from the ideas from several schools of strategic thinking. Issues related to the first four elements of the Ginter *et al.* (1985) structure are resolved by thinking deeply, discussing widely, and providing answers to the set of questions in a non-hierarchical fashion. The questions have been distilled from the strategic management literature of each school and have been justified, both by reference to the literature and through the AR process. The strategic thinking that is required to achieve answers to the entire question set provides an environment in which emergent processes can occur because “the phenomenon of emergence arises from the way simple patterns combine” (Pascale, 1999, p. 85).

As there is no complexity theory of strategic management, the strategy created in the complex environment is translated into activity by returning to the Ginter *et al.* (1985) structure and by implementing the strategy with the use of questions 9, 10, and 11:

- Q9. What is my primary company objective?
- Q10. What are my subsidiary company objectives?
- Q11. What actions do I need to take to achieve my objectives?

Action plans are generated to facilitate implementation, and this process returns the system to the cybernetic paradigm and traditional plan/control theory returns. However, the last element of the Ginter *et al.* (1985) structure, i.e. “control”, is discarded because “control” will stifle the ability of the firm to self-organise.

The result of this process is that there is now a theoretical model of strategic thinking specifically created for the small business sector. The model has theoretical validity because it has been developed from the theoretical base of the core subject. Each step, process, or concept has been generated from the ideas already extant in business theory and justified through reference to the literature and further justified and tested through the AR process. Because of the number and diversity of the firms that completed the CBB strategic thinking seminars and the concept of universality appropriate to a critical epistemological paradigm, I claim that the system is universally applicable to small firms.

Implication for practice

Several writers have discussed the importance of AR leading to a change in practice. (Zuber-Skerritt, 1992; Holter and Schwartz-Barcott, 1993; Hatten *et al.*, 1997; Denscombe, 1998). They suggest that the knowledge and understanding developed from the AR process should not only be of theoretical importance but also lead to practical work improvements directly related to the problem or issues identified. The specific nature of the change in practice will depend upon the nature of the original

problem identified and the research outcomes identified. Krathwohl (1998) develops the argument that the intention of AR is to find solutions or improvements to practical problems. Particularly, AR is used to identify whether a process or practice delivers results or, if not, whether it can be adapted so that it does. In the professions it is a useful approach to solving practical everyday problems (Krathwohl, 1998, p. 28).

Throughout the discussion for this series of papers much emphasis has been placed on the concept of planning and controlling the plan. It has been suggested that, in certain circumstances, planning may not be the panacea that its proponents suggest. Criticism is laid especially at the idea that strategy and planning are the same and that similar tools can be used to determine plans and strategies. There is no intention to suggest that planning has no validity – simply that plans and strategies are different phenomena. Irrespective of the semantics of planning, the CBB System is designed specifically for small business principals to replace the strategic planning methods that are currently available to them.

A single model with universal application

With the use of the CBB model and the CBB strategic thinking system, it is now possible to provide small business principals with a mechanism to understand the importance of strategy and with a system to deliver strategy for their small business. More than a thousand small business principals have been exposed to the concept of the CBB model. These businesses were from all sectors of the business community and, as addressed in French (2009g), the concept was widely accepted. A total of 260 firms have completed a CBB strategic thinking system programme and most sectors of the business community have been represented

It is now possible to refute the claim that there is no model of strategy which purports to have been developed especially for small business and hence there is no practical way for small business principals, who do not possess a sophisticated understanding of strategic management theory, to benefit from the work of strategy scholars. A single system of strategic thinking, designed specifically for small business principals, has been created. The system has theoretical credibility, has been thoroughly tested, and there is no requirement for the small business principal to have a broad understanding of strategic planning theory in order to benefit from the new strategic process.

Notes

1. The AR concept of “thematic concern” is discussed in French (2009e). For the sake of brevity, the premises are described only in their final form as “thematic concerns”.
2. In French (2009g), the specific development of the CBB question set is discussed. An argument is made that small business principals focus on the supply side and must be reoriented to the demand side. When this has been achieved, resource-based view ideas are used to return the small business principals to the supply side, but at the more sophisticated level of thinking provided by the resource-based view scholars.
3. Ludwig von Bertalanffy (1969, p. 37) maintains that “in many cases, isomorphic laws hold for certain classes or sub-classes of systems irrespective of the nature of the entities involved. There appear to exist general system laws which apply to any system of a certain type, irrespective of the particular properties of the system and the elements involved”.

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